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Attorney General's Office announces \$60,000 fine against New York Brokerage Firm; secures criminal indictment of securities broker

Wilmington, DE – Today, the Delaware Attorney General's Securities Unit announced that it has fined McLaughlin, Piven & Vogel (MPV), a New York Stock Brokerage firm, for failure to adequately supervise employee Vikram Manhas. This fine resolved an investigation initiated by a complaint received from a 92 year-old Lewes investor.

"The Attorney General's Office is committed to taking aggressive action against investment scams and frauds," stated Timothy Mullaney, Director of the Attorney General's Fraud and Consumer Protection Division. "With today's action we are not only holding offenders accountable, but are protecting other investors, particularly seniors who can be targets of these crimes. We urge all investors to report suspected fraud to our Securities Fraud hotline at (302) 577-8424."

Manhas opened a fictitious on-line account in his client's name and fraudulently transferred \$240,000 worth of bonds from his client's existing brokerage account into the fictitious account. Manhas ultimately transferred the securities into his own on-line account by use of a forged transfer document. Through these actions, Manhas stole his client's securities and then left the country. Manhas was indicted in Delaware on felony charges of Theft and Securities Fraud. Warrants for his arrest were issued and are still outstanding. Manhas remains at large.

As a result of a Securities Unit investigation Manhas' firm, MPV, was fined \$60,000 for not properly supervising their broker/agent by failing to have compliance and supervisory procedures in place to detect and prevent the theft of the firm's clients' funds. The Lewes investor received restitution for his losses. In addition, the firm has withdrawn its Delaware registration to market securities and is no longer conducting business in the State.

The Delaware Department of Justice Securities Unit investigates and prosecutes fraud and licensing violations by brokers, investment advisors, and the firms they work for. In addition to enforcing the law, it also serves as an educational resource to investors, printing an annual "Safe Investing Guide", and hosting the investor website, www.investorresourcecenter.org.

Delaware investors are encouraged to report suspected incidents of investment crime and fraud by calling the Securities Fraud hotline at (302) 577-8424.

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